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February 22, 2018

Observations and Recommendation on the Giant Mine Remediation Project (GMRP) Labour Resource Study Report and Socio-economic Issues

Thank you for the opportunity to review the GMRP Labour Resource Study 2017. Please find GMOB's observations and recommendation below.

The GMRP Labour Resource Study Report (LRSR) contains important background information to assist both the Project and the communities to understand some of the direct economic opportunities that may become available through the Giant Mine Remediation Project (GMRP). The current LRSR begins to identify programs and resources that can assist with future training opportunities, as well as identifying organizations within the affected communities which have an interest in those opportunities.

- GMOB acknowledges that the LRSR is a good background document but it is not the formal socio-economic plan for the Project. GMOB is concerned that this may become a missed opportunity to ultimately help further the spirit of reconciliation and rectify some of the systemic social and economic disparities within the greater regional community.

Further, GMOB observes that:

- The recommendations in the LRSR are general in nature and deal with encouraging "engagement" between the GMRP and the stakeholders. Recommendations at this point need to be actionable and relate directly to a formal socio-economic plan.
- The LRSR needs to portray, in the same level of detail, the employment or status of business relating of non-indigenous Yellowknife as it does with indigenous employment and businesses in the region.

- The LRSR needs to present the indirect or multiplier employment opportunities that could result from the GMRP, such as those in the outfitting, transportation or hospitality industries.
- The LRSR does not mention whether the stakeholders have the capacity to participate in the engagement activities and it does not examine or address any financial support that may be required to provide that capacity.
- The LRSR needs to identify the organizations to be involved and recommend how to organize a coherent training approach for the GMRP within all of the identified programs and organizations.
- The LRSR states that the GNWT's Finance Department believes that the economic situation in the territory is fragile. With the enormous investment that will be spent on the GMRP, it is confusing why there are no initiatives or programs being established now by the various government authorities to maximize the uptake of the opportunities that will be created.

In addition to reviewing the LRSR, GMOB participated in the February 15th 2018 Working Group meeting where the Project Team delivered a presentation that focused primarily on issues related to socio-economic planning. During that meeting, the Project Team indicated that the Main Construction Manager (MCM) would be contractually responsible for putting the measures in place that would build on the information in the LRSR, with the goal of increasing northern and aboriginal employment and business opportunities. At this time, GMOB is not clear of the details of the performance measures that are required of the MCM in this regard and until we are assured that they are of a practical, effective and enforceable nature, we remain concerned and potentially skeptical that the remediation project will successfully achieve its potential socio-economic outcomes.

After the presentation and discussion at the February 15, 2018 Working Group meeting, GMOB continues to have significant concerns about the overall socio-economic strategy of the GMRP. The LRSR and subsequent presentation identified some of the necessary components, however, the overall vision and accompanying goals remain elusive.

The key points of concern after the meeting include:

- Lack of a lead for the socio-economic strategy and its implementation.
- Lack of an overall framework for evaluating the broad social impacts of the GMRP, and a strategy to maximize benefits.
- A silo view of the socio-economic facets of the GMRP, focusing solely on jobs in each of the remediation phases.
- The economic, social and community well-being impacts and opportunities have not yet been identified in the same depth or seriousness as the Project's engineering and environmental impacts.

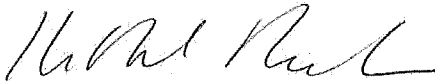
The GMRP represents a very unique and powerful opportunity for the federal, territorial, municipal and indigenous governments to work collectively to maximize the benefits for the community as a whole. The guiding socio-economic framework, still to be developed, must

create meaningful, holistic links between the GMRP's real potential to improve the local economy over the next three to ten years, and actions toward sustainably improving people's wellbeing in the region into the next generations.

Towards this end, GMOB recommends that the GMRP initiate a consultative process similar to the Project's successful Surface Design Engagement focussed on developing a solid Socio-Economic Framework. This should be done on a priority basis to ensure an appropriate framework is in place prior to initiating the active remediation phase of the Project. In addition to capitalizing on the significant and unique opportunities associated with the GMRP, such a strategy could also serve as a national standard for the development of socio-economic strategies for all major projects, particularly those with the potential to affect Aboriginal communities.

We thank you for the opportunity to submit our observations and recommendation in this regard. GMOB would be willing to participate in this new engagement process and looks forward to providing further input if requested.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Kathy Racher', written in black ink.

Dr. Kathy Racher

Chair, Giant Mine Oversight Board

cc. Giant Mine Working Group